

OFFICE OF THE REGULATOR

EVALUATION CRITERION FOR SERVICES LICENCES

Effective November 2010, applications for services licences will be evaluated according to the following criteria:

1. Legal 2. Financial 3. Technical

1. Legal (5 points)

- (i) Proof of incorporation and registration in the Companies Register at the Ministry of Commerce Industry & Labour;
 - (ii) Applicant has a valid business licence.
 - (iii) Applicant satisfies transfer of control provisions in Act (where applicable)
- Applications that do not satisfy the legal criteria are not to be evaluated further.

2. Financial (60 points)

- (i) Source of funds
 - a) Amount and nature of financing, that is debt, equity, or grant funds
 - b) Guarantor of funds
 - c) Nature, history, reliability and goodwill of institution providing funds
- (ii) Availability of funds
 - a) Letter of comfort or letter of intent from individual/institution providing funds
 - b) Financial records of individual/institutions providing funds
 - c) Audited statements of the applicant where applicable
- (iii) (a) Going Concern
 - Quality of Business Plan based on:
 - Pro forma financial statements and assumptions used
 - Market analysis and marketing plan
 - Projected market share and activity levels
 - Performance Indices as follows:
 - Liquidity

- Debt Service ability
- Profitability

(b) New Business Entity

- Quality of Business Plan based on:
 - Pro forma financial statements and assumptions used
 - Market analysis and marketing plan
 - Projected market share and activity levels
- Pro forma Performance Indices as follows:
 - Liquidity
 - Debt Service ability
 - Profitability

(iv) Experience of Management

- Bio-data of key management personnel indicating experience in business

3. Technical (35 points)

- (i) Engineering experience
- (ii) Availability and Qualifications of Technical staff
- (iii) Appropriateness of Technology
- (iv) System design/Strategy

The successful applicant must obtain:

- a minimum overall score of 65% and
- a minimum of half the points allocated to the financial component.

Assignment of Weights and Scores

Component	Proposed Weights
LEGAL	5
FINANCIAL	60
Source of funds	10
Availability of Funds	20
<i>A. Going Concern*</i>	
<i>Quality of Business Plan</i>	<i>10</i>
<i>Performance Indices</i>	
<i>Liquidity</i>	<i>5</i>
<i>Debt Service Ability</i>	<i>5</i>
<i>Profitability and activity</i>	<i>5</i>
<i>B. New Entrant</i>	
<i>Quality of Business Plan</i>	<i>10</i>
<i>Pro forma Performance Indices</i>	

<i>Liquidity</i>	5
<i>Debt Service Ability</i>	5
<i>Profitability and activity</i>	5
Experience of Management	5
TECHNICAL	35
Engineering experience	5
Availability and qualification of technical staff	10
Appropriateness of technology	10
System Design/Strategy	10
TOTAL	100
Pass Mark	65

*The applicant would be assessed either as a) Going Concern, or b) New Entrant